St. Mary Rehabilitation Working Group Meeting 10:00 – 3:00 March 22, 2006 Chinook Motor Inn – Chinook, Montana

Welcome and Introductions:

<u>Members Present:</u> Randy Reed, Dave Peterson, Kevin Salsbery, Dolores Plumage, Paul Tuss, Gary Anderson, Max Maddox, Steve Page, Mike Barthel, Bud Mavencamp, Don Wilson, Larry Mires (Exec. Director), Brandi Beecher (Exec. Assistant), Paul Azevedo (DNRC-Project Coordinator)

Information included in meeting handouts:

- Agenda
- Draft February 22, 2006, SMWG Meeting Notes.
- Approved January 25, 2006, SMWG Meeting Notes.
- Draft March 2, 2006 SMWG, conference call Meeting Notes.
- Draft March 17, 2006 SMWG, Executive Committee Conference call Meeting Notes.
- St. Mary Working Group Income Statement & Accounting Statement

Review and approve meeting agenda:

• Meeting agenda approved.

Review and approval meeting notes:

- SMWG approved February 22 meeting notes.
- SMWG approved March 2 conference call meeting notes.

Summary of March 6-8 Trip to Washington D.C.

- Larry Mires gave a summary of trip to Washington D.C. We had an opportunity to discuss authorization with Montana's Congressional Delegation as well as USBR Commissioner Keys. Since the trip, Commissioner Keys has announced his resignation and Larry said he felt that the resignation was not a setback for the rehabilitation of the St. Mary/Milk River Project.
- Randy Reed added that Montana's Congressional Delegation is doing an excellent job of working to move the St. Mary/Milk River project forward. John Tubbs went on the Washington D.C. trip and drafted a written summary of the trip, which Paul Azevedo briefly covered.

Discussion on Project Authorization

- Paul Azevedo reported, when draft legislation is received from Senator Burns' staff, the
 draft will be immediately forwarded to members of the SMWG for review. Advised
 SMWG members decisions may need to be made quickly, so a meeting or conference call
 may need to be scheduled on short notice.
- SMWG discussed potential scenarios of how to get draft information out to members and best way to make sure the response time meets the Montana Congressional Delegation's deadlines.
- SMWG discussed importance of choosing one point of contact to deal with the Congressional Delegation. Steve Page suggested Larry should serve as contact, however, he must contact the SMWG members before any decisions are made.
- SMRWG approved Larry Mires serving as the main point of contact for the Congressional Delegation and staff for the Authorization Legislation. Larry will then

report to SMRWG for any decisions. Don Wilson will be point of contact for the Blackfeet Tribe and John Tubbs will severe as main contact for DNRC.

Executive Director's Report

- Larry gave an overview of who will be attending the NWRA conference representing Montana, and summary of the agenda. DNRC will send Paul Azevedo, John Tubbs, Jay Weiner, and Mike Volesky of the Governor's office, will attend.
- Larry Mires reported on FFA meeting in Las Vegas March 2-3. It was an opportunity to network with farmers and ranchers from Nevada. Learned there are similar problems in every area and gained support for the St. Mary/Milk River Project.
- Also talked about upcoming conferences and importance of continuing to travel and gain support. Upcoming conferences include: Upper Missouri Water Users Association, Family Farm Alliance and National Water Resources Association.

Congressional Updates

- Kristina Davis of US Senator Baucus' office reported she has been in touch with those
 drafting the authorization and the Legislative Aids. Said she applauded the SMWG for
 working outside of the box, tapping into Department of Defense and Highway
 Transportation Bill.
- Seth Broesder of US Representative Rehberg's office assured the SMWG that Reghberg continues to strongly support the rehabilitation of the St. Mary/Milk River system.

Financial Report

- Paul Tuss gave an overview of the SMWG financial statement. Two Rivers has not billed SMWG to date for Larry's service, however those charges will show on the next statement.
- Larry reported on a bill for \$80 from Earl's Body Shop for painting the display trailer \$80. He requested a \$3,000 payment to Montana Water Resources Association for the SMWG annual membership.
- SMWG approved paying \$3,000 for annual membership to Montana Water Resources Association.
- Larry explained the need for a budget line item transfer. Out-of-state travel has been depleted and proposed transferring \$10,000 from Consulting Fees to the Out-of-state travel line item.
- SMRWG approved a budget line item transfer of \$10,000 from consulting funds to Out-of-State travel.
- Gary Anderson reported four individuals have donated to the SMWG, since the January meeting in Cut Bank. Of the donors that have donated in the past, 19 have not paid for FY 05-06.
- Larry suggested waiting until mid-May to begin fundraising campaign for 2007. Felt there could be problems, if SMWG tries collect donations from those who have not paid, and at the same time starting a new fundraising campaign.

US Senator Conrad Burns' Report

- US Senator Conrad Burns briefly attended the SMWG meeting. Reported his staff is quickly putting the Legislation together. Thanked the group for working so hard toward the authorization and rehabilitation. This is the #1 project in his office.
- The Senator suggested concentrating on the entire system, not just the St. Mary's Diversion project.

- The Senator felt it is critical to get the authorization approved. He has received commitment from the Chairman of Energy and Chairman of Natural Resources Committees. Senator also added his office may be able to relieve some of the expense if members of the SMWG need to travel to DC to testify.
- The Senator also reported he felt there are good people working for USBR in Montana, but they run into red tape.
- Larry Mires suggested holding the Subcommittee Field Hearing in Montana, potentially in the Cut Bank/Browning area where the St. Mary structure originates. Senator Burns was open to the idea.
- Larry Kline of the Havre Daily News asked what it will take to convince other senators to support the rehabilitation of the St. Mary/Milk River Project? Burns said it's about educating other senator's about the importance of the project.
- Dolores Plumage asked, with war and other global issues, do you see problems getting the funding? Burns said no, it is a matter of domestic priorities. Must have safety and security for this Country, but also need to take care of domestic needs.
- Blackfeet Chairman Pat Thomas said there are 36 unmanned Border crossings in the St. Mary/Babb area and asked about the importance of Homeland Security? Senator Burns said there will be a lot of changes as a new Homeland Security office will be stationed in Great Falls soon.

St. Mary Operation Report

- Ed Hedlund of BOR reported Lake Sherburne is at 35,500 acre feet and 157% of normal storage. Fresno Reservoir is 108 % of normal. Nelson is at 95% of normal storage. Started transferring water into canal system about March 6th and began reaching Fresno about March 15. Currently releasing about 400 cfs.
- Ed also reported the Nelson outlet works investigation concluded there will not be a need to implement operational restrictions. Will continue the investigation in May or June by installing monitoring equipment.

Working Group Member Comments

- Max Maddox talked about visiting with Nevada Water Users. He talked about extreme
 measures Nevada is taking to reduce evaporation. Water is critical and sometimes we
 take it for granite. Learned when traveling to conferences there are a lot of projects that
 need rehabilitation, but the St. Mary system is a unique project and a lot of people are
 envious.
- Dolores talked about local outreach efforts. Felt there should have been several more people in attendance for the meeting. Changing the meeting was confusing, and worked to get the word out but should have had more people in attendance for US Senator Burns' visit. Need to do more local outreach.
- Randy Reed said SMWG has gained a lot of support and has come a long way.
- Gary Anderson concerned that fewer and fewer people are attending the SMWG meetings.
- Dolores said things are happening so fast with the SMWG, it is hard to keep up with the lastest information.
- Paul Azevedo talked about updating the website could assist with outreach. Larry and Brandi will work with Paul to get the website updated.
- Mike Barthel reported Larry addressed the Havre City Council and suggested having Larry do more outreach to other communities.

- Dave Peterson said the only time people show up for a meeting is when there is a problem.
- Paul Tuss commended Larry on doing a brief speech during Bear Paw Development's annual meeting, which nearly 100 attended.
- Gary asked about recent PowerPoint updates available to the Fundraising Committee.
 Larry reported he updates PowerPoint presentations for each meeting/conference he attends.
- Larry talked about the application for the Water in the West grant for \$25,000 for a 15-20 minute video that can be used on PBS, a 10 minute outreach video and a 3 minute video for congressional hearings. Award should be announced around April 1.

PUBLIC COMMENT

- Kristina Davis suggested doing outreach with county extension agents, at county fairs, and when legislation is passed, should offer open houses in several communities.
- Seth Brewster suggested doing public meetings for to give comments and questions.
- Steve Page said the public support is good, however, to-date the SMWG does not have a product to sell, which makes it difficult to get community interest.
- Dolores questioned Authorization Sections 6-7-8 that was brought up as a potential problem in the authorization. Larry responded that the draft authorization includes everyone's concerns, and there are not any problems at this point.
- Steve Page added that the Senator seemed confident, enthused and felt it is premature to start worrying about potential problems.
- Randy Perez talked about the Fort Belknap section of the Authorization. The Blackfeet
 section is much larger than the Fort Belknap section. It that may be better to remove Fort
 Belknap's request for a community water system from the legislation. Larry said the
 draft authorization provided a place holder for everyone's interests and concerns.
 Expects Legislative staff to provide several suggestions as they work through the
 authorization language, before it is introduced as a bill.
- Mike Barthel talked about importance of flood control and how critical the St. Mary/Milk River system is to flood control.
- Bob Larson of DNRC Water Resources, talked about the apportionment between US and Canada. Expressed concerns about Canada taking more water than their apportionment and cost-sharing with Canada infrastructure development.

Summary of Agreements

- SMRWG approved meeting notes from February 22 meeting held in Havre.
- SMRWG approved teleconference meeting notes from March 2 conference call.
- SMRWG approved Larry Mires serving as the main point of contact for the Congressional Delegation and staff for the Authorization Legislation. Larry will then report to SMRWG for any decisions.
- SMRWG approved paying \$3,000 for membership to the Montana Water Resources Association.
- SMRWG approved budget line item transfer of \$10,000 from Milk River Basin funds to Out-of-State travel.

Summary of Action Items

• Larry Mires will forward travel and lodging arrangements for SMWG members attending National Water Resources Conference in Washington, D.C. on April 3-5.

• Larry Mires will contact SMRWG when receive a draft of the Authorization Legislation from US Senator Conrad Burns' office. John Tubbs will serve as contact for DNRC and Don Wilson will be contact for Blackfeet Tribe.

Next Meeting

• April 26th in Malta.